



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 240** SLS 10RS 704
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 25, 2010	5:55 PM	Author: MURRAY
Dept./Agy.: Education		
Subject: Orleans Parish School Board revenues		Analyst: Mary Kathryn Drago

SCHOOLS RE SEE FISC NOTE LF EX See Note Page 1 of 1

Allows the Orleans Parish School Board to exclude certain costs from the amount of local funds that it would otherwise be required to transfer to the RSD. (8/15/10)

The proposed legislation allows the Orleans Parish School Board to exclude from the amount of money being transferred to the Recovery School District the actual amount expended by the board for certain costs related to worker’s compensation premiums, legal claims, retiree health insurance, short-term borrowing, and fees for ad valorem and sales taxes collected. The total amount of exclusions shall not exceed \$6 million annually. Actual expenditures in excess of \$6 million in any year will be carried forward for recapture in future years. The exclusions allowed in this legislation will expire upon the extinguishment of the costs, upon any action of the board to reduce the constitutional millage from the level in effect for FY 09-10, except as required pursuant to a property reassessment, or twelve months following the full settlement of Orleans Parish School Special Community Disaster Loans, whichever occurs first. The excluded costs shall be included as a footnote to the annual financial statements of the Orleans Parish School Board and audited by its certified public accountant. The audited financial statements are to be submitted to the Department of Education, within 180 days of the end of each fiscal year. Any audit adjustments will be added or deducted to the subsequent year’s exclusion.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0


EXPENDITURE EXPLANATION

According to the Orleans Parish School Board, the costs associated with the workers’ compensation claims, the retiree health insurance, the \$200 a month supplement, and the legal claims total approximately \$6 million for FY 10-11. Therefore, approximately \$6 million would be excluded from being transferred through interagency transfer to the Recovery School District schools in Orleans Parish. The proposed legislation provides for the exclusion to expire upon the extinguishment of costs, upon any action of the board to reduce the constitutional millage from the level in effect for FY 09-10, except as required pursuant to a property reassessment, or twelve months following the full settlement of Orleans Parish School Special Community Disaster Loans, whichever occurs first. Therefore, it is possible in future fiscal years for the Orleans Parish School Board to discontinue excluding funds from being transferred to the Recovery School District.

Note: The Orleans Parish School Board has indicated that a constitutional millage is being rolled forward that will generate revenues of approximately \$12 million to \$15 million that will be available in FY 10-11 and in subsequent fiscal years.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$100,000 Annual SGF Cost	H. Gordon Monk
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	Legislative Fiscal Officer